

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

E12

E13	Schedule D - Part 5 LT Bonds/Stocks Acquired/Disp .....	NONE
E14	Schedule D - Part 6 Sn 1 .....	NONE
E14	Schedule D - Part 6 Sn 2 .....	NONE
E15	Schedule DA - Part 1 ST Investments Owned .....	NONE
E16	Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned .....	NONE
E16	Schedule DB - Part A Sn 2 Opt/Cap/Floor Acquired .....	NONE
E17	Schedule DB - Part A Sn 3 Opt/Cap/Floor Term .....	NONE
E17	Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force .....	NONE
E18	Schedule DB - Part B Sn 2 Opt/Cap/Floor Written .....	NONE
E18	Schedule DB - Part B Sn 3 Opt/Cap/Floor Term .....	NONE
E19	Schedule DB - Part C Sn 1 Col/Swap/Fwrdr Open .....	NONE
E19	Schedule DB - Part C Sn 2 Col/Swap/Fwrdr Opened .....	NONE
E20	Schedule DB - Part C Sn 3 Col/Swap/Fwrdr Term .....	NONE
E20	Schedule DB - Part D Sn 1 Futures Contracts Open .....	NONE
E21	Schedule DB - Part D Sn 2 Futures Contracts Opened .....	NONE
E21	Schedule DB - Part D Sn 3 Futures Contracts Term .....	NONE
E22	Schedule DB - Part E Sn 1 Counterparty Exposure .....	NONE

**SCHEDULE E - PART 1 - CASH**

1		2	3	4	5	6	7
Depository		Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
<b>open depositories</b>							
Bank of America, N.A. ....	Atlanta, Georgia .....		3.930	340,543		7,433,319	X X X
Fifth Third Bank .....	Nashville, Tennessee .....			253,203		5,316,128	X X X
Regions Bank .....	Nashville, Tennessee .....		1.230	1,927		140,923	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....			X X X				X X X
0199999 Totals - Open Depositories .....			X X X	595,673		12,890,370	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....			X X X				X X X
0299999 Totals - Suspended Depositories .....			X X X				X X X
0399999 Total Cash On Deposit .....			X X X	595,673		12,890,370	X X X
0499999 Cash in Company's Office .....			X X X	X X X	X X X		X X X
0599999 Total Cash .....			X X X	595,673		12,890,370	X X X

**TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR**

1. January .....	6,517,146	4. April .....	12,943,813	7. July .....	16,330,534	10. October .....	20,008,708
2. February .....	12,771,717	5. May .....	13,410,613	8. August .....	30,575,717	11. November .....	26,508,913
3. March .....	26,126,341	6. June .....	28,656,548	9. September .....	20,483,436	12. December .....	12,890,371

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
Columbia Cash Reserves Capital		04/01/2002	4.669		35,690		1,788
Columbia Cash Reserves Capital		02/17/2006	4.669		568,678		28,495
Butler Crty Surgical Ppys LLC		09/21/2006	4.910	03/01/2023	1,900,000		102,714
Consolidated Equities Rfity		09/21/2006	4.910	09/01/2025	2,040,000		108,304
Lighting Direct LLC		09/21/2006	4.910	02/01/2035	1,740,000		93,702
AFS Assoc L.P. Taxbl NT Adj		09/21/2006	4.910	09/01/2040	280,000		16,478
Fifth Third Instl MMkt Core		10/03/2006	4.670		458,785		11,943
0199999 Total Cash Equivalents					7,023,153		363,424

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

1	2	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
		3	4	5	6
States, Etc.	Purpose of Deposit	Book/Adjusted Carrying Value	Fair Value	Book/Adjusted Carrying Value	Fair Value
1. Alabama (AL) .....	B .. Pledged for Statutory Requirements .....			521,386	535,940
2. Alaska (AK) .....					
3. Arizona (AZ) .....					
4. Arkansas (AR) .....	B .. Pledged for Statutory Requirements .....			300,074	300,774
5. California (CA) .....					
6. Colorado (CO) .....					
7. Connecticut (CT) .....					
8. Delaware (DE) .....					
9. District of Columbia (DC) .....					
10. Florida (FL) .....					
11. Georgia (GA) .....					
12. Hawaii (HI) .....					
13. Idaho (ID) .....					
14. Illinois (IL) .....					
15. Indiana (IN) .....					
16. Iowa (IA) .....					
17. Kansas (KS) .....					
18. Kentucky (KY) .....					
19. Louisiana (LA) .....					
20. Maine (ME) .....					
21. Maryland (MD) .....					
22. Massachusetts (MA) .....					
23. Michigan (MI) .....					
24. Minnesota (MN) .....					
25. Mississippi (MS) .....					
26. Missouri (MO) .....					
27. Montana (MT) .....					
28. Nebraska (NE) .....					
29. Nevada (NV) .....					
30. New Hampshire (NH) .....					
31. New Jersey (NJ) .....					
32. New Mexico (NM) .....					
33. New York (NY) .....					
34. North Carolina (NC) .....					
35. North Dakota (ND) .....					
36. Ohio (OH) .....					
37. Oklahoma (OK) .....					
38. Oregon (OR) .....					
39. Pennsylvania (PA) .....					
40. Rhode Island (RI) .....					
41. South Carolina (SC) .....	B .. Pledged for Statutory Requirements .....			304,918	305,431
42. South Dakota (SD) .....					
43. Tennessee (TN) .....	B .. Pledged for Statutory Requirements .....	503,295	510,940	4,199,564	4,235,870
44. Texas (TX) .....					
45. Utah (UT) .....					
46. Vermont (VT) .....					
47. Virginia (VA) .....					
48. Washington (WA) .....					
49. West Virginia (WV) .....					
50. Wisconsin (WI) .....					
51. Wyoming (WY) .....					
52. American Samoa (AS) .....					
53. Guam (GU) .....					
54. Puerto Rico (PR) .....					
55. U.S. Virgin Islands (VI) .....					
56. Northern Mariana Islands (MP) .....					
57. Canada (CN) .....					
58. Aggregate other alien (OT) .....	X X X .....				
59. Total .....	X X X .....	503,295	510,940	5,325,942	5,378,015
<b>DETAILS OF WRITE-INS</b>					
5801. ....					
5802. ....					
5803. ....					
5898. Summary of remaining write-ins for Line 58 from overflow page .....	X X X .....	X X X .....			
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	X X X .....	X X X .....			



## SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2007

(To be filed by March 1)

### PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system:  
If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group:  
or 2) allocation to each insurer: Yes[X] No[ ]
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes[ ] No[X]
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes[ ] No[X]

### PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1 Name and Principal Position	2 Year	Annual Compensation			
		3 Salary	4 Bonus	5 All Other Compensation	6 Totals
1. Michael Bailey Chief Executive Officer	2007	495,784			495,784
	2006	427,733			427,733
	2005	80,838			80,838
2. Willis Jones Executive Vice President & Secretary	2007	268,241			268,241
	2006	169,265			169,265
	2005	56,327			56,327
3. Philip Hertik Chairman	2007	446,103			446,103
	2006	307,881			307,881
	2005	55,613			55,613
4. James Brackowski, MD Chief Medical Officer	2007	255,276	27,440		282,716
	2006	149,262			149,262
	2005				
5. Gary Adkins Vice President, Sales	2007	150,101	76,277		226,378
	2006	144,324	34,800		179,124
	2005				
6. Steven Yates Senior Vice President, Chief Administration & Information Officer	2007	161,528	11,760		173,288
	2006	159,331	1,470		160,801
	2005	56,572	4,200		60,772
7. Sonya King Director, Pharmacy	2007	150,942	4,900		155,842
	2006	129,360			129,360
	2005				
8. Barry Shermer Vice President, Information Systems	2007	128,394	11,760		140,154
	2006	121,625			121,625
	2005	44,147	4,025		48,172
9.	2007				
	2006				
	2005				
10.	2007				
	2006				
	2005				

### PART 3 - DIRECTOR COMPENSATION

1 Name and Principal Position or Occupation	2 Compensation Paid or Deferred for Services as Director	3 All Other Compensation Paid or Deferred	4 Totals
<b>NONE</b>			
9999999			



# SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

(To Be Filed by April 1)

For the year ended December 31, 2007

Of The Windsor Health Plan, Inc.

Address (City, State, Zip

Code)

Brentwood, TN, 37027

NAIC Group Code 1268

NAIC Company Code 95792

Employer's ID Number 62-1531881

The Investment Risk Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement.

\$..... 31,464,960

1	2	3	4
Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2. Ten largest exposures to a single issuer/borrower/investment.			
2.01 .....			
2.02 .....			
2.03 .....			
2.04 .....			
2.05 .....			
2.06 .....			
2.07 .....			
2.08 .....			
2.09 .....			
2.10 .....			

NAIC Rating	1 Amount	2 Percent
3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.		
<b>Bonds</b>		
3.01 NAIC-1 .....	5,829,237	18.526
3.02 NAIC-2 .....		
3.03 NAIC-3 .....		
3.04 NAIC-4 .....		
3.05 NAIC-5 .....		
3.06 NAIC-6 .....		
<b>Preferred Stocks</b>		
3.07 P/RP-1 .....		
3.08 P/RP-2 .....		
3.09 P/RP-3 .....		
3.10 P/RP-4 .....		
3.11 P/RP-5 .....		
3.12 P/RP-6 .....		

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[ ]

	1 Amount	2 Percent
4.02 Total admitted assets held in foreign investments .....		
4.03 Foreign-currency-denominated investments .....		
4.04 Insurance liabilities denominated in that same foreign currency .....		

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

NAIC Sovereign Rating		1 Amount	2 Percent
5.	Aggregate foreign investment exposure categorized by NAIC sovereign rating:		
5.01	Countries rated NAIC-1 .....		
5.02	Countries rated NAIC-2 .....		
5.03	Countries rated NAIC-3 or below .....		

NAIC Sovereign Rating		1 Amount	2 Percent
6.	Two largest foreign investment exposures in a single country, categorized by the country's NAIC sovereign rating:		
Countries rated NAIC-1:			
6.01	.....		
6.02	.....		
Countries rated NAIC-2:			
6.03	.....		
6.04	.....		
Countries rated NAIC-3 or below:			
6.05	.....		
6.06	.....		

Description		1 Amount	2 Percent
7.	Aggregate unhedged foreign currency exposure .....		

NAIC Sovereign Rating		1 Amount	2 Percent
8.	Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating:		
8.01	Countries rated NAIC-1 .....		
8.02	Countries rated NAIC-2 .....		
8.03	Countries rated NAIC-3 or below .....		

NAIC Sovereign Rating		1 Amount	2 Percent
9.	Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:		
Countries rated NAIC-1:			
9.01	.....		
9.02	.....		
Countries rated NAIC-2:			
9.03	.....		
9.04	.....		
Countries rated NAIC-3 or below:			
9.05	.....		
9.06	.....		

1 Issuer	2 NAIC Rating	3 Amount	4 Percent
10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:			
10.01 .....			
10.02 .....			
10.03 .....			
10.04 .....			
10.05 .....			
10.06 .....			
10.07 .....			
10.08 .....			
10.09 .....			
10.10 .....			



**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)**

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:  
 11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?  
 If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

Yes[X] No[]

Description		1 Amount	2 Percent
11.02	Total admitted assets held in Canadian Investments .....		
11.03	Canadian-currency-denominated investments .....		
11.04	Canadian-denominated insurance liabilities .....		
11.05	Unhedged Canadian currency exposure .....		

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.  
 12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?  
 If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

Yes[X] No[]

1 Contractual Sales Restrictions		2 Amount	3 Percent
12.02	Aggregate statement value of investments with contractual sales restrictions .....		
	Largest 3 investments with contractual sales restrictions:		
12.03	.....		
12.04	.....		
12.05	.....		

13. Amounts and percentages of admitted assets held in the ten largest equity interests:  
 13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets?  
 If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

Yes[X] No[]

1 Name of Issuer		2 Amount	3 Percent
Assets held in equity interests:			
13.02	.....		
13.03	.....		
13.04	.....		
13.05	.....		
13.06	.....		
13.07	.....		
13.08	.....		
13.09	.....		
13.10	.....		
13.11	.....		

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

1 Investment Category		2 Amount	3 Percent
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities .....		
	Largest 3 investments held in nonaffiliated, privately placed equities:		
14.03	.....		
14.04	.....		
14.05	.....		

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

1 Investments in General Partnerships		2 Amount	3 Percent
15.02	Aggregate statement value of investments held in general partnership interests .....		
	Largest 3 investments in general partnership interests:		
15.03	.....		
15.04	.....		
15.05	.....		

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

1 Type (Residential, Commercial, Agricultural)		2 Amount	3 Percent
	Total admitted assets held in Mortgage Loans		
16.02	.....		
16.03	.....		
16.04	.....		
16.05	.....		
16.06	.....		
16.07	.....		
16.08	.....		
16.09	.....		
16.10	.....		
16.11	.....		

**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)**

Description	Loans	
	2 Amount	3 Percent
Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:		
16.12 Construction loans .....		
16.13 Mortgage loans over 90 days past due .....		
16.14 Mortgage loans in the process of foreclosure .....		
16.15 Mortgage loans foreclosed .....		
16.16 Restructured mortgage loans .....		

Loan-to-Value	Residential		Commercial		Agricultural	
	1 Amount	2 Percent	3 Amount	4 Percent	5 Amount	6 Percent
17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:						
17.01 Above 95% .....						
17.02 91% to 95% .....						
17.03 81% to 90% .....						
17.04 71% to 80% .....						
17.05 Below 70% .....						

18. Amounts and percents of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets?  
If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Yes[X] No[]

1 Description	2 Amount	3 Percent
Largest 5 investments in any one parcel or group of contiguous parcels of real estate:		
18.02 .....		
18.03 .....		
18.04 .....		
18.05 .....		
18.06 .....		

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

1 Description	2 Amount	3 Percent
19.02 Aggregate statement value of investments held in mezzanine loans .....		
Largest three investments held in mezzanine real estate loans:		
19.03 .....		
19.04 .....		
19.05 .....		

**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)**

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:					
20.01 Securities lending agreements (do not include assets held as collateral for such transactions) .....					
20.02 Repurchase agreements .....					
20.03 Reverse repurchase agreements .....					
20.04 Dollar repurchase agreements .....					
20.05 Dollar reverse repurchase agreements .....					

Description	Owned		Written	
	1 Amount	2 Percent	3 Amount	4 Percent
21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:				
21.01 Hedging .....				
21.02 Income generation .....				
21.03 Other .....				

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:					
22.01 Hedging .....					
22.02 Income generation .....					
22.03 Replications .....					
22.04 Other .....					

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:					
23.01 Hedging .....					
23.02 Income generation .....					
23.03 Replications .....					
23.04 Other .....					



# ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

United States Policy Forms Direct Business Only  
For The Year Ended December 31, 2007

NAIC Group Code: 1268		(To Be Filed By April 1)				NAIC Company Code: 95792		
		1	2	3	4	5	6	7
		Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2 + 3) / 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
A. INDIVIDUAL BUSINESS								
1. Comprehensive Major Medical								
1.1. With Contract Reserves								
1.2. Without Contract Reserves								
1.3. Subtotal								
2. Short-Term Medical								
2.1. With Contract Reserves								
2.2. Without Contract Reserves								
2.3. Subtotal								
3. Other Medical (Non-Comprehensive)								
3.1. With Contract Reserves								
3.2. Without Contract Reserves								
3.3. Subtotal								
4. Specified/Named Disease								
4.1. With Contract Reserves								
4.2. Without Contract Reserves								
4.3. Subtotal								
5. Limited Benefit								
5.1. With Contract Reserves								
5.2. Without Contract Reserves								
5.3. Subtotal								
6. Student								
6.1. With Contract Reserves								
6.2. Without Contract Reserves								
6.3. Subtotal								
7. Accident Only or AD&D								
7.1. With Contract Reserves								
7.2. Without Contract Reserves								
7.3. Subtotal								
8. Disability Income - Short-Term								
8.1. With Contract Reserves								
8.2. Without Contract Reserves								
8.3. Subtotal								

## ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2 + 3) / 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>9. Disability Income - Long-Term</b>							
9.1. With Contract Reserves							
9.2. Without Contract Reserves							
9.3. Subtotal							
<b>10. Long-Term Care</b>							
10.1. With Contract Reserves							
10.2. Without Contract Reserves							
10.3. Subtotal							
<b>11. Medicare Supplement (Medigap)</b>							
11.1. With Contract Reserves							
11.2. Without Contract Reserves							
11.3. Subtotal							
<b>12. Dental</b>							
12.1. With Contract Reserves							
12.2. Without Contract Reserves							
12.3. Subtotal							
<b>13. State Children's Health Insurance Program</b>							
13.1. With Contract Reserves							
13.2. Without Contract Reserves							
13.3. Subtotal							
<b>14. Medicare</b>							
14.1. With Contract Reserves							
14.2. Without Contract Reserves	118,638,785	93,638,682		78.9		18,438	189,478
14.3. Subtotal	118,638,785	93,638,682		78.9		18,438	189,478
<b>15. Medicaid</b>							
15.1. With Contract Reserves							
15.2. Without Contract Reserves							
15.3. Subtotal							
<b>16. Other Individual Business</b>							
16.1. With Contract Reserves							
16.2. Without Contract Reserves							
16.3. Subtotal							
<b>17. Total Individual Business</b>							
17.1. With Contract Reserves	118,638,785	93,638,682		78.9		18,438	189,478
17.2. Without Contract Reserves							
<b>18. Grand Total Individual</b>	118,638,785	93,638,682		78.9		18,438	189,478

## ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2 + 3) / 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>B. GROUP BUSINESS</b>							
Comprehensive Major Medical							
1. Single Employer							
1.1. Small Employer							
1.2. Other Employer							
1.3. Single Employer Subtotal							
2. Multiple Employer Assns and Trusts							
3. Other Associations and Discretionary Trusts							
4. Other Comprehensive Major Medical							
5. Comprehensive/Major Medical Subtotal							
<b>Other Medical (Non-Comprehensive)</b>							
6. Specified/Named Disease							
7. Limited Benefit							
8. Student							
9. Accident Only or AD&D							
10. Disability Income - Short-Term							
11. Disability Income - Long-Term							
12. Long-Term Care							
13. Medicare Supplement (Medigap)							
14. Federal Employees Health Benefit Plans							
15. Tricare							
16. Dental							
17. Medicare							
18. Other Group Care							
B19. Grand Total Group Business							
<b>C. OTHER BUSINESS</b>							
1. Credit (Individual and Group)							
2. Stop Loss/Excess Loss							
3. Administrative Services Only							
4. Administrative Services Contracts							
5. Grand Total Other Business							
<b>D. TOTAL BUSINESS</b>							
1. Total Non U.S. Policy Forms							
2. Grand Total Individual, Group and Other Business	118,638,785	93,638,682		78.9		18,438	189,478

## ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

## PART 1 - INDIVIDUAL POLICIES SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business	118,638,785	93,638,682		78.928
2. Other Forms Direct Business				
3. Total Direct Business	118,638,785	93,638,682		78.928
4. Reinsurance Assumed				
5. Less Reinsurance Ceded	327,951			
6. TOTAL	118,310,834	93,638,682		79.146

## PART 2 - GROUP POLICIES SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business				
2. Other Forms Direct Business				
3. Total Direct Business				
4. Reinsurance Assumed				
5. Less Reinsurance Ceded				
6. TOTAL				

## PART 3 - CREDIT POLICIES (Individual and Group) SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business				
2. Other Forms Direct Business				
3. Total Direct Business				
4. Reinsurance Assumed				
5. Less Reinsurance Ceded				
6. TOTAL				

## PART 4 - ALL INDIVIDUAL, GROUP AND CREDIT POLICIES SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business	118,638,785	93,638,682		78.928
2. Other Forms Direct Business				
3. Total Direct Business	118,638,785	93,638,682		78.928
4. Reinsurance Assumed				
5. Less Reinsurance Ceded	327,951			
6. TOTAL	118,310,834	93,638,682		79.146



Supp13    SIS Title ..... NONE

Supp14    SIS Financial Reporting ..... NONE

Supp15    SIS Inform. - Management and Directors ..... NONE

**STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

(See Instructions Below)

1	2	3	Number of Shares				
			4	5	Disposed of During Current Year		
					6	7	8
Name and Title of (a) Each Director and Each Officer with any ownership and (b) any other Owner of more than 10%	Title of Security	Nature of Ownership	Owned at end of Prior Year	Acquired During Current Year	Held Less Than 6 Months	Held 6 Months or More	Owned at End of Current Year

Note: Answer "yes" or "no" as to whether the information concerning the number of shares owned at the end of the year (as shown in Column 8) by each Director and the three highest paid Officers whose aggregate direct remuneration exceeded \$100,000 during the year, has been or will be furnished to stockholders in a proxy statement or otherwise?     No     If answer is "no", explain in detail on a separate sheet.

State the number of stockholders of record of the company at the end of the year. Answer: \_\_\_\_\_

**INSTRUCTIONS FOR STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES****Column 1**

Indicate relationship of the person to the Company, for example: "Director," "Director and Vice-President," "Beneficial owner of more than 10% of the Company's common stock," etc.

**Column 2**

The statement of the title of a security should be such as to clearly identify the security, even though there may be only one class, for example: "Common stock," "4% convertible preferred stock," etc.

**Column 3**

Under the "Nature of Ownership" state whether ownership of securities is "direct" or "indirect." If the ownership is indirect, i.e., through a partnership, corporation, trust or other entity, indicate in a footnote or other appropriate manner the name of the medium through which the securities are indirectly owned. The fact that securities are held in the name of a broker or other nominee does not, of itself, constitute indirect ownership. Securities owned indirectly shall be reported on separate lines from those owned directly and from those owned through a different type of indirect ownership.

**Columns 4 to 8**

In the case of securities owned indirectly, the entire amount of securities owned by the partnership, corporation, trust or other entity shall be stated. There may also be indicated in a footnote or other appropriate manner the extent of the security holder's interest in such partnership, corporation, trust or other entity.

If a transaction in securities of the Company was with the Company or one of its subsidiaries, so state. If it involved the purchase of securities through the exercise of options, so state. If any other purchase or sale was effected otherwise than in the open market, that fact shall be indicated. If the transaction was not a purchase or sale, indicate its character, for example, gift, stock dividend, etc., as the case may be. The foregoing information may be indicated in a footnote or other appropriate manner.

Any additional information deemed relevant by the Company should be included as a footnote or in other appropriate manner.



# Medicare Part D Coverage Supplement

(Net of Reinsurance)

(To be Filed By March 1)

NAIC Group Code: 1268

NAIC Company Code: 95792

	Individual Coverage		Group Coverage		5 Total Cash
	1	2	3	4	
	Insured	Uninsured	Insured	Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage	6,156,232	X X X		X X X	6,156,232
1.12 Without Reinsurance Coverage		X X X		X X X	
1.13 Risk-Corridor Payment Adjustments		X X X		X X X	
1.2 Supplemental Benefits		X X X		X X X	
2. Premiums Due and Uncollected - change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage	37,575	X X X		X X X	X X X
2.12 Without Reinsurance Coverage		X X X		X X X	X X X
2.2 Supplemental Benefits		X X X		X X X	X X X
3. Unearned Premium and Advance Premium - change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage		X X X		X X X	X X X
3.12 Without Reinsurance Coverage		X X X		X X X	X X X
3.2 Supplemental Benefits		X X X		X X X	X X X
4. Risk-Corridor Payment Adjustments - change					
4.1 Receivable	365,873	X X X		X X X	X X X
4.2 Payable		X X X		X X X	X X X
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage	6,193,807	X X X		X X X	X X X
5.12 Without Reinsurance Coverage		X X X		X X X	X X X
5.13 Risk-Corridor Payment Adjustments	365,873	X X X		X X X	X X X
5.2 Supplemental Benefits		X X X		X X X	X X X
6. Total Premiums	6,559,680	X X X		X X X	6,156,232
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage	5,470,182	X X X		X X X	5,470,182
7.12 Without Reinsurance Coverage		X X X		X X X	
7.2 Supplemental Benefits		X X X		X X X	
8. Claim Reserves and Liabilities - change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage	659,914	X X X		X X X	X X X
8.12 Without Reinsurance Coverage		X X X		X X X	X X X
8.2 Supplemental Benefits		X X X		X X X	X X X
9. Healthcare Receivables - change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage	418,541	X X X		X X X	X X X
9.12 Without Reinsurance Coverage		X X X		X X X	X X X
9.2 Supplemental Benefits		X X X		X X X	X X X
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage	5,711,555	X X X		X X X	X X X
10.12 Without Reinsurance Coverage		X X X		X X X	X X X
10.2 Supplemental Benefits		X X X		X X X	X X X
11. Total Claims	5,711,555	X X X		X X X	5,470,182
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - net to reimbursements applied	X X X		X X X		
12.2 Reimbursements Received but Not Applied - change	X X X		X X X		
12.3 Reimbursements Receivable - change	X X X		X X X		X X X
12.4 Healthcare Receivables - change	X X X		X X X		X X X
13. Aggregate Policy Reserves - change					X X X
14. Expenses Paid	893,999	X X X		X X X	893,999
15. Expenses Incurred	893,999	X X X		X X X	X X X
16. Underwriting Gain/Loss	(45,874)	X X X		X X X	X X X
17. Cash Flow Results	X X X	X X X	X X X	X X X	(207,949)

## LONG-TERM CARE (LTC) EXPERIENCE REPORTING FORM-A (Continued)

## PART 2 - LTC INSURANCE EXPERIENCE BY LINE OF BUSINESS

	1 Earned Premiums By Duration	2 Incurred and Paid	3 Reserve for Incurred But Unpaid	4 Total Incurred Claims
1. Individual .....				
2. Group Direct Response .....				
3. Other Group .....				
4. TOTAL (Sum of Lines 1 to 3) .....				

## PART 3 - EXPERIENCE FOR PRODUCTS PROVIDING LTC INSURANCE OTHER THAN ON A STAND-ALONE BASIS

	Premiums and Annuity Considerations		Benefits	
	1 Total	2 Long-Term Care Benefit Component	3 Total	4 Applied to Provide Long-Term Care Benefits
A. Products Providing LTC Benefits With Distinct LTC Premiums .....				
1. Individual - Life .....				
2. Individual - Annuity .....				
3. Individual - Disability .....				
4. Individual - Other .....				
5. Group - Life .....				
6. Group - Annuity .....				
7. Group - Disability .....				
8. Group - Other .....				
B. Products Providing LTC Benefits Without Distinct LTC Premiums .....				
1. Individual - Life .....				
2. Individual - Annuity .....				
3. Individual - Disability .....				
4. Individual - Other .....				
5. Group - Life .....				
6. Group - Annuity .....				
7. Group - Disability .....				
8. Group - Other .....				

## LONG-TERM CARE EXPERIENCE REPORTING FORM-B

	3	4	5	6	7	8
1. Individual .....			XXX	XXX	XXX	XXX
2. Group direct response .....			XXX	XXX	XXX	XXX
3. Other group .....			XXX	XXX	XXX	XXX
4. Total (sum of Lines 1 to 3) .....			XXX	XXX	XXX	XXX
5. Actual total reported experience through statement year .....			XXX	XXX	XXX	XXX
6. Actual total reported experience through prior year .....			XXX	XXX	XXX	XXX
7. Calendar year reported experience (Lines 5 minus 6) .....			XXX	XXX	XXX	XXX

Note: a. Was experience prior to 1991 used in preparing this form? Yes [ ] No[X]

b. If yes, indicate the calendar years that were included:

**Reden & Anders, Ltd.**

An **RTI** Company

**Consultants & Actuaries**

2170 Satellite Boulevard Suite 150 • Atlanta GA 30097

Tel (888) 297-7632 • Fax (678) 417-4950 • [www.reden-anders.com](http://www.reden-anders.com)

June 16, 2008

Mr. Willis Jones  
Chief Financial Officer  
Windsor Health Plan, Inc.  
7100 Commerce Way, Suite 285  
Brentwood, Tennessee 37027

**Confidential**

Dear Willis:

Enclosed is our statement of actuarial opinion, dated June 16, 2008. This opinion replaces the opinion dated March 3, 2008 and reflects the reclassification of the ProCare invoice for the first half of December 2007 from a "General expenses due or accrued" liability to a "Claims unpaid" liability. An updated representation letter has been provided to reflect this change.

This opinion is based on a review of actuarial liabilities and related items identified herein, as shown in the December 31, 2007 statutory annual statement of Windsor Health Plan, Inc., amended as of June 16, 2008. This opinion has been prepared for the sole purpose of attaching it to the above-described annual statement in accordance with the instructions for completing the health statement blank.

Publication or use of the opinion, except as specifically provided above, is prohibited without our prior written consent.

REDEN & ANDERS, LTD.

*Edgar W. Schneider*

---

Edgar W. Schneider, A.S.A.  
Principal  
Member, American Academy of Actuaries

Enclosure

I, Edgar W. Schneider, Consulting Actuary, am a member of the American Academy of Actuaries, and am associated with the firm of Reden & Anders, Ltd. My firm has been retained and I have been assigned to review calculations of certain actuarial items made by Windsor Health Plan Inc. I meet the Academy qualification standards for rendering this statement of actuarial opinion and am familiar with the valuation requirements applicable to HMOs.

I have examined the actuarial assumptions and actuarial methods used in determining the loss reserves, actuarial liabilities and related actuarial items listed below, as shown in the revised (June 16, 2008) 2007 year-end statement of the organization, as prepared for filing with state regulatory officials.

(a) Claims unpaid (less reinsurance ceded) (Page 3, Line 1).....	\$ 14,781,556
(b) Accrued medical incentive pool (Page 3, Line 2) .....	\$ 0
(c) Unpaid claims adjustment expenses (Page 3, Line 3) .....	\$ 338,580
(d) Aggregate health policy reserves (Page 3, Line 4) .....	\$ 948,440
(e) Aggregate health claim reserves (Page 3, Line 7) .....	\$ 0
(f) Experience rated refunds .....	\$ 0
(g) Any actuarial liabilities included in Page 3, Line 21 .....	\$ 0

I have relied upon the management of Windsor Health Plan, Inc., as attested to by Willis Jones, Chief Financial Officer, as to the accuracy and completeness of listings and summaries of policies and contracts in force, asset records and other information underlying the loss reserves and related actuarial items examined. In other respects, my examination included such review of the actuarial assumptions and actuarial methods and such tests of actuarial calculations, as I considered necessary in the circumstances.

We did not perform any cash flow testing in developing our opinion because of the short-term nature of the liabilities. We did note that the "Cash, cash equivalents and short-term investments" asset as reported on Page 2, Line 5 was \$19,913,523, an amount substantially in excess of the Claims unpaid liability reported above.

Based on our analysis, it is our opinion that there is not a need for Windsor Health Plan to establish a premium deficiency reserve as of December 31, 2007.

In my opinion the amounts carried in the balance sheet on account of the actuarial items identified above:

- a. Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- b. Are based on actuarial assumptions which are in accordance with or stronger than those called for in related contract provisions and are appropriate to the purpose for which the statement was prepared;
- c. Meet the requirements of the laws of the State of Tennessee;
- d. Make good and sufficient provision in the aggregate for all unpaid claims and other actuarial liabilities of the organization guaranteed under the terms of its contracts and agreements;

- e. Are computed on the basis of actuarial assumptions and methods consistent in all material respects with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- f. Include provision, in the aggregate, for all actuarial reserves and related statement items that ought to be established.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

In particular, I have reviewed the Underwriting and Investment Exhibit – Part 2B and find that it was prepared consistent with "Section 3.6 Follow-Up Studies" contained in "Actuarial Standard of Practice No. 5 Incurred Health Claim Liabilities" adopted by the Actuarial Standards Board of the American Academy of Actuaries in December 2000 (effective May 1, 2001).

This opinion replaces the opinion dated March 3, 2008 and reflects the reclassification of the ProCare invoice for the first half of December 2007 from a "General expenses due or accrued" liability to a "Claims unpaid" liability.

This opinion is updated annually as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of the rendering of this opinion which should be considered in reviewing this opinion.

**This statement of opinion was prepared for, and is only to be relied upon by Windsor Health Plan and the Tennessee Insurance Department, where the opinion is filed.**

*Edgar W. Schneider*

Edgar W. Schneider, ASA  
Member, American Academy of Actuaries

June 16, 2008

Reden & Anders, Ltd.  
2170 Satellite Blvd, Suite 150  
Duluth, GA 30097  
Phone: (678) 417- 4903

Fax: (678) 417- 4950



## Representation Concerning Matters Pertaining to Examination of Statutory Actuarial Items

To: Reden & Anders

FROM: Windsor Health Plan, Inc.

In connection with your examination of the unpaid claim liability to be included in the statutory annual statement of Windsor Health Plan, Inc. (Company) as of December 31, 2007, I represent that to the best of my knowledge and belief:

1. All information which would affect the actuarial items examined has been given to you;
2. Basic records, listings, summaries and other information furnished to you, and underlying the calculation of the actuarial items identified below, are accurate and complete;
3. No methods or procedures employed by the Company, now or in the past, would preclude the accurate determination of the actuarial items examined; and,
4. At-risk providers are in a financial position to meet all liabilities under any incentive contracts with payers, and if not, Company has accrued an appropriate liability to cover the risk.

I understand that you have relied on these items to perform your analysis and have not audited the accuracy or completeness of these items.

With respect to assets and liabilities of Windsor Health Plan, Inc. as of December 31, 2007, I represent that to the best of my knowledge and belief, the statutory statement, together with related exhibits, schedules and explanation therein contained, annexed or referred to, is a complete and fair statement of all the assets and liabilities and the condition of affairs of the Company as of December 31, 2007.

Signed

Name

Willis Jones

Title

Chief Financial Officer

Date

6/16/08

Address

7100 Commerce Way, Ste 285, Brentwood, TN 37027

Phone Number

615-782-7852



**Management's Discussion and Analysis**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Windsor Health Plan, Inc. (WHP)**  
**For the Years Ended December 31, 2007 & 2006**

---

**A. FINANCIAL POSITION**

**(i) Assets**

Line 1 – Bonds – As of December 31, 2007 and 2006, WHP reported bonds of \$5,829,237 and \$5,046,487, respectively. These bonds consist entirely of WHP's restricted cash (statutory pledges) held in long-term investments. The \$782,750 increase in bonds during 2007 was the result of the issuance of two new pledges to the states of Alabama and South Carolina, as a result of WHP becoming licensed as an HMO in those states for the purpose of offering its Medicare Advantage products. All pledged amounts consist of investments in conservative government-backed instruments, as stipulated by the individual state guidelines. The investments have staggering maturities as a result of the differences in timing of the purchases.

Line 5 – Cash and Short-Term Investments – As of December 31, 2007 and 2006, WHP had cash of \$19,913,523 and \$14,221,064, respectively. The significant increase during 2007 was a result of the expansion of WHP's Medicare operations into new counties within the states of Tennessee, Arkansas and Mississippi effective January 1, 2007. Each month, WHP receives premium payments from the Centers for Medicare and Medicaid Services ("CMS") for all members enrolled for that month. A small portion of the premiums are also paid directly by enrollees. CMS premiums are paid at the beginning of each month for that month, and the associated medical costs are paid as claims are submitted over time. In 2006 and the first three months of 2007, WHP also received monthly administrative services only ("ASO") revenue related to the TennCare line of business.

WHP maintains its cash and working capital needed on a daily basis in accounts with federally insured banks. To achieve incremental returns, a portion of the available cash may be invested through overnight repurchase agreements with a member bank of the U.S. Federal Reserve System. In addition, cash that is not needed on a daily basis may be invested with Banc of America Securities, LLC (Georgia) and/or Fifth Third Securities. When invested, this cash is placed in conservative highly liquid investments at both banks. WHP records these investments as cash equivalents, in accordance with NAIC guidelines. As of December 31, 2007, WHP had \$12,890,370 in cash and \$7,023,153 of cash equivalent investments. As of December 31, 2006, WHP had \$7,561,334 in cash and \$6,659,730 of cash equivalent investments.

Line 12 - Investment Income Due and Accrued – Interest receivable results from the accretion of discounts and accruals for coupon interest on long-term investments pledged under statutory guidelines. Interest is recorded in the period in which it is earned. As of December 31, 2007 and 2006, WHP had total interest receivable of \$96,279 and \$73,860, respectively. The increase from 2006 to 2007 was due to the increase in statutory pledges and other investments throughout 2007, the timing of interest payments between the two years, and an overall increase in interest rates during 2007.

Line 13 – Premiums and considerations – At December 31, 2007 and 2006, WHP reported premiums receivable of \$3,148,732 and \$22,921,416, respectively. The 2007 receivable is comprised of an accrual of \$3,055,461 related to additional premiums due as a result of the CMS risk adjustment process and \$93,271 relates to monthly premiums due from individual members for 2007 coverage. At December 31, 2006 the primary component of amounts receivable was \$2,901,157 due from the CMS for premiums related to members who were retroactively assigned to WHP in 2007 for the service year of 2006. The remaining \$20,259 was premiums due from individual members for premiums related to 2006 coverage. All 2006 premiums due from CMS were collected in the first quarter of 2007. The 2007 risk adjustment receivable will not be settled by CMS until the second or third quarter of 2008.

## Management's Discussion and Analysis

Line 14 – Reinsurance – As of December 31, 2007 and 2006, WHP reported amounts recoverable from reinsurers of \$42,303 and \$0, respectively. Based on Tennessee statute, health maintenance organizations are not permitted to hold reinsurance. However, these organizations are permitted to carry excess loss insurance, which provides coverage to limit a health plan's financial exposure on very large inpatient claims. While this excess loss coverage is commonly referred to as "reinsurance," it has been the past position of the Department that no amounts related to this type of coverage should be reported on any of the NAIC filing schedules as reinsurance. Effective December 31, 2007, the Department granted WHP an exception to this Tennessee prescribed practice and permitted the reporting of amounts related to the excess loss insurance as reinsurance on all appropriate schedules. WHP has therefore reported excess loss premiums on line 2 (Net Premium Income) of the Statement of Revenue and Expenses and all other related amounts have been completed in accordance with NAIC guidelines. The amounts shown on Line 14 are estimates of amounts due for claims that were submitted to WHP's excess loss insurer.

Line 15 – Amounts Receivable Relating to Uninsured Plans – As of December 31, 2007 and 2006, WHP had total amounts receivable from the State of Tennessee of \$800,480 and \$567,655, respectively.

Effective July 1, 2002 WHP signed Amendment 2 to the Amended and Restated CRA to change from an at-risk managed care organization (MCO) to an ASO contractor. Under this agreement, WHP was responsible for providing all administrative services, including claims adjudication, for the members assigned to the plan. In return, WHP received a monthly administrative fee based on a per member per month rate established by the State of Tennessee. In accordance with the amended contract, from July 1, 2002 through December 31, 2007 WHP paid all medical costs from its accounts and was reimbursed by the Bureau of TennCare. For 2007 and 2006, the receivable included amounts due for medical claims (due to timing of month end) and an accrual for quarterly bonuses as stipulated by the contract with the state of Tennessee. At December 31, 2007, WHP was owed the quarterly bonuses for the second through fourth quarters of 2006 as well as the first quarter of 2007.

Line 21 – Amounts Due From Parents, Subsidiaries and Affiliates - At December 31, 2007 and 2006, WHP reported \$901,867 and \$0 of amounts due from affiliates, respectively. The 2007 amount consisted of overpaid management fees to Windsor Management Services, Inc. ("WMS"), WHP's sister corporation. This overpayment is the result of an overestimate of the monthly payment. These amounts were recovered in the next quarter.

Line 22 – Health Care Receivables – At December 31, 2007 and 2006, WHP reported health care receivables of \$1,057,001 and \$486,890, respectively. For both years, these amounts were related solely to WHP's Medicare line of business. At December 31, 2007, this receivable represents an accrual for pharmacy rebates due in the amount of \$1,087,133 related to the periods of April 2006 to December 2007 and \$200 related to other account receivables. Based on NAIC guidelines, \$615,188 of the pharmacy rebate was nonadmitted at December 31, 2007 due to the balances being 90 days past due. At December 31, 2006, this receivable was comprised of \$426,890 of pharmacy rebates related to the periods of April-December 2006 and estimated excess loss recoveries of \$60,000.

### **(ii) Liabilities and Net Worth**

Line 1 – Claims Unpaid – As of December 31, 2007 and 2006, WHP reported claims unpaid of \$14,781,556 and \$8,714,990, respectively. For both years, this liability is comprised of an estimate of incurred but not reported (IBNR) claims and a pharmacy invoice payable for the last two weeks of December. The increase in this liability during 2007 was solely a result of the increase in overall Medicare operations. WHP had approximately 10,300 members enrolled in its MA-PD plans and 8,300 members in its PDP plans at December 31, 2007 and approximately 4,800 members enrolled in its MA-PD plans at December 31, 2006. Please see line 9 explanation below for additional information.

Line 3 – Unpaid Claims Adjustment Expense – As of December 31, 2007 and 2006, WHP reported claims unpaid of \$338,580 and \$243,616, respectively. The increase in this liability